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1. DECLINING PRICES AND BETTER PROFITS

R. M. Hudson, Chief,
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Manufacturers faced with the problem of steadily declining price levels for their class of products encounter another problem in making as good a profit in 1927 as they did in 1926.

To illustrate,- as prices go down under the stress of competition, the usual course is to hammer down production costs with the hope of at least preserving the same relative margin or percentage of profit per unit of sale. However, this usually means smaller actual money profit per unit, and the problem then becomes one of selling enough more units at the lower price to make the same annual net profit as before. This effort to increase sales volume may so add to a company's cost of doing business that the savings it makes in production are lost in the distribution of its product. In that case, even with the greater volume sold, net profit may not be as good as in previous years.

Therefore, as a safeguard against smaller net profit, we suggest simplification. It has been definitely proven in numerous instances that "simplification" reduces both the costs of production and distribution. It has likewise been definitely proven that "diversification" adds to both production and selling costs. Yet there are many manufacturers who believe the best way to get more business and to make more profit is to add another number to the line. That would work out profitably more often if they, at the same time, dropped or discarded some slow-moving or seldom-wanted line number, even at the risk of not being able to supply it on an occasional order. The usual practice of striving for greater volume by adding new lines, meanwhile hanging on to all the old ones, soon makes the whole line top-heavy, and inventory rapidly piles up with items that do not turn over. Profits that would otherwise have been made on the live lines are absorbed in the costs of carrying the dead ones in stock. As the variety increases, the burden on plant facilities and the whole production personnel increases, and sooner or later manufacturing costs go up instead of down.

The selling organization is pushed to spread its effort over the expanded line, and the consequent diffusion of effort usually increases the cost of selling per unit of sale faster than it increases the total volume of units sold.

A minimum consistent range of line numbers--all active, carrying no dead weight, made and sold in large volume, even at a smaller cash profit per unit, means good annual net profits.

The manufacturer who can thus keep his production and selling forces "stripped for action,"--the manufacturer who has the courage to "simplify" rather than "diversify",--need not worry about better profits in the face of declining prices.

2. CUTTING COSTS BY INCREASING OUTPUT: This is the title of an article by E. S. Gregg, Senior Statistician, Western Electric Company, Inc., which appeared in Kardex Institute "General Business Advice" bulletin for Thursday, March 3, 1927. Mr. Gregg says in part that "Men in numerous instances have argued that the business-like procedure is greatly to increase production and sales at extremely low prices, relying on the decreased overhead charge per article to enable a profit to be made. One manufacturer has even advocated setting sales prices below cost with the idea of stimulating effort to secure a volume of business so much greater that a profit could still be made.

This question of when and how far it is practicable to reduce prices in order to increase volume of production is a vital one. The underlying assumption is that it is a good thing to reduce prices in order to increase the volume of sales, since costs of production decline as volume of output increases. But this argument is not universally applicable for there are certain definite economic principles which set limits within which prices may justifiably be reduced in order to increase volume and to decrease the unit cost of production."

3. WATCH THE INVENTORY DOLLARS: This is the title of an unusually timely and practical article by James H. Rand, Jr., President, Remington Rand, Inc., which appeared in a recent number of "Factory" magazine. This article contains more than one challenge to the executive who thinks his company is already living up to this fundamental of good management. For instance, Mr. Rand states that "At one of the plants, which became one of the Rand group, the standard practice was to manufacture parts, stock the parts in storerooms at the ends of the departments, and then assemble the finished goods from parts taken out of stores. The management believed that it was operating on a minimum inventory." But it was badly mistaken according to Mr. Rand. He states the "first step was to shift that plant to a straight-line, mass-production unit. We eliminated the intermediate storerooms for finished parts. Now when raw material goes to the first process it continues until it goes either into finished stores or into a freight car. Eliminating parts-inventories there liquidated an investment greater than that in finished stock. Straight-line mass production increased output so that today, with the same number of employees and approximately the same machinery, that plant is making just 900% of its former production; the direct labor and factory overhead is 11% of what it was before; and the inventory of goods-in-process is less than it was before. What this means to our turnover of manufacturing capital must be obvious."

Simplified practice will help to decrease stocks, production costs, etc., and will increase turnover.

4. FOREMEN'S ORGANIZATION STUDYING WASTE ELIMINATION METHODS: In a recent discussion of foremanship training and development Glenn L. Gardiner advances the thought that management's responsibility for conducting some intelligent program of keeping its foremen fully informed on managerial policies, standard company practices, labor policies, factors in cost control and manufacturing economies, gained wider and wider recognition during 1926.

Two important factors have been stressed in 1926, and in all probability will be even more important in 1927. These are:

1. Waste elimination.
2. Greater productivity per man.

The high standards of living enjoyed by the American people have largely resulted from the steady increase of per capita production. The maintenance and further advance of these standards can be assured only by further development of productivity, and the effecting of economies in methods and processes, and by the elimination of waste in materials and motion in industry. Success in accomplishing these things is largely dependent upon the intelligence with which the army of industrial workers is supervised. This is where the foremen will play an important part in 1927 and the years which follow.

At no place can a line be drawn dividing personnel from production. In the last analysis, problems of production are problems of personnel."

5. **THE NEW COMPETITION:** In discussing this subject in the "Shoe and Leather Reporter", F. J. Ross, President, F. J. Ross Company, Inc., New York City says. "If leadership is the key to progress, vision is the key to leadership." That--"Any adequate consideration of The New Competition demands broad thinking. Narrow thinking gets nowhere with it, and gets nowhere with any broad issue that may come up in our business, community, or national life." Mr. Ross speaks of "The New Competition" as competition between industries. It is the effort of one industry to secure public acceptance of its commodity against the effort of many other industries, each seeking to do the same thing. It is the effort of the paint and varnish industry, for example, to secure a decision from Mr. and Mrs. Brown to properly protect their house against deterioration, at the same time when Mr. and Mrs. Brown are being beset also to buy a new radio, a new automobile, a new fur coat, or to join a country club. It is the effort of the shoe industry to bring the public to a proper knowledge and appreciation of shoes as a means to the greater consumption of shoes.

If the public isn't sufficiently alive to the kind of commodity your industry makes, it will be hard sledding to sell enough of your brand of that commodity to make business both pleasant and profitable.

The field of building materials has grasped the idea of "The New Competition." That's why cement industry speaks for cement, the brick industry for brick, the brick paving industry the for brick pavement, the cypress industry for cypress."

6. **SIMPLIFICATION, VERSUS DEPRECIATION, DETERIORATION AND OBSOLESCENCE:** "Railway Purchases & Stores" for March carries a very interesting article on the subject of Depreciation by William J. Cunningham, Professor Transportation, Harvard Graduate School of Business Administration. He says: "Accounting for depreciation, both from the viewpoint of the income account and investment account, has an exceedingly important bearing, but the meaning of the term and the ramifications of its effect upon the accounts are not generally understood. This article was prepared at the suggestion of one general storekeeper who was interested to know the distinction between the terms depreciation, deterioration and obsolescence."

A definition of the three words by Professor Cunningham, may be helpful. "Depreciation is a lessening in worth or lowering in value. Deterioration is similar in meaning - a reduction in worth or quality, an impairment in condition. Obsolescence is the process of gradually falling into disuse or becoming antiquated. It will be noted that depreciation and deterioration, insofar

as railroad use is concerned, are nearly synonymous, both denoting a lowering in condition or value. Strictly speaking, a poorly maintained track or locomotive has suffered deterioration in physical condition. The word depreciation, while also commonly used to denote impairment in physical condition, really connotes loss in value. A new automobile suffers substantial depreciation in value at the moment the owner drives it away from the salesroom because it then becomes a used car, although deterioration in a physical sense does not come into play until the car has had sufficient use or misuse to cause wear or other impairment of condition."

Through the application of Simplified Practice, many manufacturers have been able to give better service to the trade through better quality of product, also simplification has made it possible for the wholesaler and retailer to increase rate of turnover through the stocking of all live numbers, resulting in less stock depreciation and obsolescence.

7. SIMPLIFICATION OF SIZES OF GLASS CONTAINERS ADVOCATED: In discussing some of the problems that the glass manufacturer runs into in making glass containers, J. S. Algeo, Sales Manager for the Hazel-Atlas Glass Company, told the National Preservers' Association Technical Meeting in January that the subject of standardization has had a great deal of attention given to it in the past few years by the glass manufacturers and also by the preservers. He called attention to the fact that there is a committee working all the time on standardizing and simplifying finishes and that efforts were being made to standardize screw caps and finish. They have succeeded so far in reducing the enormous number of sizes to something like 21 or 22. Mr. Algeo asked the cooperation of the packer and preserver in standardizing jar sizes, stressing the great benefits which would accrue from such a program.

8. HOW ONE BEARING MANUFACTURER SIMPLIFIED LINE: The step in simplification recently taken by SKF Industries of New York, bearing manufacturers, is worthy of mention as a striking example of how an individual company can apply the principles of Simplified Practice to its product.

This company in reducing the number of sizes of bearings which it produces from 572 to 455 or better than 20% has divided its bearings into three groups - preferred, non-preferred and service. In the preferred list is included those sizes which will be recommended and on which sales effort will be concentrated. Those sizes which are to be discouraged and of which only a limited quantity will be carried in stock are grouped in the non-preferred list. In the service list is included those sizes not recommended and which it is hoped can ultimately be discontinued. Only a minimum number will be stocked. SKF Industries goes farther and points out in its catalogue the advantages which should accrue to all interests as the result of adherence to this simplification program.

9. COMPETITION VERSUS ELIMINATION OF WASTE: The following excerpt taken from a house organ published by the National Biscuit Company describes in a very interesting way the aims and purposes of the movement to eliminate waste through the medium of Simplified Practice. It says:- "In America, particularly, business men are giving more and more thought to the problem of the elimination of avoidable waste, and this applies not merely to waste of materials but of time and effort also. Competition, which has become keener and keener, makes this effort increasingly vital to the maintenance of a profitable business. Formerly the gospel of standardization of products was preached as offering to manufacturers salvation from the evils of waste; but now a step beyond that is taken and 'Simplified Practice' is the watchword. For example, take the manufacture of nuts and bolts. The time was, not long ago, when hundreds of thousands of different sizes and shapes were produced and every manufacturer felt obliged to produce nuts and bolts of every size and shape produced by each competitor. This meant a frightful waste throughout the industry; but when these numerous sizes and shapes had been standardized by agreement, and every manufacturer confined his products to these standards, much of the former waste was done away with. Nevertheless there were still manufactured numerous sizes and shapes of nuts and bolts for which there was a comparatively small demand. At this juncture the advocates of Simplified Practice arose to observe that the manufacture of these small

sellers should be stopped; that, with the use of good judgment as to the varieties to be eliminated, the decrease in the volume of business would be slight and the saving in expense of manufacturing and marketing would be great.

In the recent establishment of the Division of Simplified Practice, Secretary Hoover, of the Department of Commerce, has inaugurated a valuable medium for the dissemination of suggestions, recommendations and other information regarding these matters and manufacturers and distributors are availing themselves of this help to an unusual degree."

10. **STANDARDIZATION AND SPECIALIZATION:** Standardization has sometimes been interpreted as opposed to specialization. This, however, is a fallacy states Walter S. Hayward in his book on "Sales Administration". "It is often possible to specialize the standardized line, and to make it distinctive. In fact, there must be some points of distinction around which the selling program may be built up. The following methods of turning standard lines into specialties may be used.

1. Alteration of or emphasis on a single element. The Victor Company concentrates much of its advertising on its operative record business.
2. Addition of a new feature. The Eastman Kodak Company added an autographic feature to its camera, thereby turning it into a specialty in a standardized field.
3. Simplification of product. Union suits are made without buttons, collars without starch, etc.
4. Specialization on price. This is done in the case of the Selz Six shoe, the Ford automobile, and, in the past, by the Ingersoll watch.
5. Overcoming weak point of product. Manufacturers of stockings may point to special heels to overcome extra wear at this point.
6. Specialization on a limited range. Cutting a line of products frequently makes those remaining into specialties.
7. Specialization in design. In the automobile field, the Franklin, the Stanley Steamer, and the Autocar, follow out mechanical principles which distinguish them from competitors.
8. Specialization in materials. Shingles for example, may be made of copper, asbestos, or zinc, in addition to wood. Tennis racquets may be made of steel.
9. Special size. Conklin pens are made oversize.
10. Extra measure.
11. Extra convenience. The auto-strop razor adds a strop. Some cereals are pre-cooked to make them more convenient to serve.

11. **SIMPLIFICATION IN PRINTING INDUSTRY:** In their bulletin "Our Monthly Message" for March 1927 the Con. P. Curran Printing Company of St. Louis, calls attention to certain savings which are possible in the printing industry, through the adoption of a standard specification for printing forms in black ink to replace machine ruled forms. We quote from this bulletin as follows:

"Much has been written on the subject of simplified practice and much has been accomplished as a result of intensive, analytical study by the Division of Simplified Practice at Washington, D. C. Countless duplications have been eliminated and many unnecessary manufacturing operations avoided. Simplified practice is applied common sense or the recognition of simple, direct procedure. We are inclined to overlook the obvious and accept complicated systems and intricate methods as representing profound thought therefore it must be right."

12. **FORECASTING CONSUMER DEMAND:** Forecasting consumer demand is the big problem of the moment in retail stores, according to F. McL. Bradford, merchant of Seattle.

"When we have what people want it walks right out of the store with little effort on our part," he said. "But to provide what they are going to want is largely guess work. If in our retail store advertising we could carry powerful editorials on the store and its service it might be possible to do away with the daily menu of special offers. Stores are placing too much emphasis on dollar days, one cent sales, month and clearances, anniversary sales and all the rest of them. The public is becoming satiated with sales."

Simplified Practice will help the retailers in solving the consumer demand problem.

13. STANDARDIZATION AND THE RETAILER: "In carrying out a program of standardization or simplification, the manufacturer must bear constantly in mind the effect this is going to have on the dealer. The dealer naturally desires to have a line which will meet all the requirements of his customers. Consequently, he must be educated to the advantages of a concentrated line," according to Walter S. Hayward in his recent book on "Sales Administration". "Another point to be considered is the effect which simplification will have on the desirability of the line in the dealer's eyes. In the case of a well-advertised staple branded product, such as tooth paste, shaving cream, or safety razors, the consumer demand created by the manufacturer will almost compel the dealer to carry these in stock. But the hardware dealer, or the men's clothing dealer, could not afford to carry all lines, and the custom normally is to specialize on one or a few standard brands. Unless the dealer is convinced that simplification is beneficial, he will be inclined to favor the more complete line.

It is becoming more and more difficult to induce dealers to stock new lines. Consequently, the benefits of a compact line, with large turnover on all items in it should exercise a strong appeal."

14. CENTRALIZED PURCHASING HELPS TO REDUCE TAXES: In a pamphlet issued by the Boston Real Estate Exchange recently, an interesting story is told of how the city of Lynn cut its tax rate \$5.00. "Considerable saving was effected by better purchasing, one of the most potent ways in which waste can be eliminated. For instance, by combining all the coal contracts for the several departments into one, \$4.00 a ton was saved on coal. It had been the practice for the city-owned automobiles to buy gasoline as needed at any gas station. Instead of this, the city bought in quantities, and saved 2 1/2 cents per gallon. In other ways, savings were made, each relatively small in itself, but the aggregate was large. In fact, it is only through such an accumulation of small savings made wherever possible that real relief to the taxpayer is possible."

This is an indication of savings that may be made by applying centralized purchasing to municipal governments. Through specifying simplified lines many Municipal Purchasing Agents are receiving quicker deliveries and better quality. They also find it saves money and time to purchase items on the simplified practice schedule.

15. ERIE RAILROAD ORGANIZING TO REDUCE WASTE: According to a recent news article, John J. Burnet, the new President of the Erie Railroad, is launching a program for rehabilitation which will effect the wide expanse of territory served by the 2,323 miles of Erie track between New York and Chicago. According to the article, "the Erie gross operating revenues have increased about 60 per cent in the last 10 years, but expenses have increased equally as fast. It is to correct this ratio that President Burnet has outlined his program. For example, the Erie now uses 73 different kinds of motive power. The first move will be to get rid of 300 locomotives. The road will rebuild 115 Mikado locomotives, regarded as a most efficient type, and buy 50 more immediately. Since it cost 35 cents a mile to condition a locomotive and the Erie engines cover 36,000,000 locomotive miles a year, the saving from this one item alone assumes startling proportions.

The road between here and Chicago has eight places where engines must be reconditioned. These will be cut to four. In other words, the division runs of each engine will be doubled, while the reconditioning cost will be halved. The saving from this maneuver and from increases in freight train length and speed, it is estimated, will yield \$3,000,000 additional to the road each year."

16. **FIXING LEAST-COST PURCHASE QUANTITIES:** This is the title of an article appearing in "Manufacturing Industries" for May 1927, by Ralph C. Davis, Assistant Professor of Business Organization, Ohio State University. In discussing the problem of finding the minimum ordering point Mr. Davis says:- "Hand-to-mouth buying has brought new purchasing problems and one is indicated in the title of this article. A simple method has been developed by way of answer, to find the most economic lot to purchase. This is similar to the one for the most economic manufacturing lot size presented in the April 1925 and August 1926 issues of MANUFACTURING INDUSTRIES." The method set forth by Professor Davis is not advanced as a substitute for the judgment and experience of purchase executives, but a tool which will make such judgment and experience more effective.
17. **INTERNATIONAL ECONOMIC PARLEY CONSIDERS SIMPLIFICATION:** In the Washington, D. C. Star under date of May 18, John Gunther, reporting the International Economic Conference at Geneva, states that "the third great committee, on industry, so far, has adopted; first, qualified indorsement of the American scheme for rationalization, (standardization and simplification of production, elimination of waste, of raw materials and cooperation in distribution) and second, proposals to simplify and unify statistics of all countries on an international basis."
18. **AMERICAN RAILWAY ASSOCIATION URGES SIMPLIFICATION AND STANDARDIZATION:** According to a newspaper release dated May 26th, the importance of extending the scope of standardization and simplification of materials as a further means of bringing about still greater economy and efficiency in the operation of the railroads, was urged in a report submitted by the Committee on that subject to the Annual Convention of the Purchases and Stores Division of the American Railway Association held in Chicago last month.

Simplification of stores stock by reducing the number of items, according to the Committee, is productive of numerous economies, among them being:- more economic purchases due to smaller number of items ordered, eventual reduction in manufacturing costs of various items, the elimination of special material which involves higher prices, more economy in book-keeping and better control of stocks; smaller stock balances and less storehouse space and consequently more convenient and economical arrangement of stock.

The Convention also adopted recommendation of the scrap iron committee whereby the scrap classification is entirely revised and coordinated with the standard classification advocated in Simplified Practice Recommendation No. 53, promulgated by the Department of Commerce. The new classification was adopted only after thorough consideration with dealers. This change, according to the members of the Committee, will result in substantial savings to the railroads.

19. **STANDARDIZATION OF METAL LATH AIDS BUILDING FIELD:** According to "Sheet Steel Service," Vol. 2 No. 4, "The recent standardization adopted by metal lath manufacturers is proving of great value to the entire building industry, especially to the architect and the contractor. Architects who have been specifying lath by gauge alone find upon investigation that a 24 gauge sheet can be expanded to any desired distance and the unscrupulous sellers will furnish less metal than is actually called for by the specifications.

If weight alone is specified, this is eliminated since it is only natural for manufacturers to supply the thickest steel practicable for any specified weight of each type, because the thicker the sheets, the cheaper the raw steel at the mill. Thus weight specification tends toward thicker gauge, while that by gauge tends toward less reinforcing per yard.

Architects are urged to specify by weight, then, according to the U. S. Department of Commerce recommendations, and to use the Standard Specifications for proper and economical weights for all desired spacings and conditions. Where formerly there were some 125 varieties of this material on the market, there are but 24 now and these are distributed under three general classifications: metal lath, flat rib lath and 3/8 inch rib lath.

Simplification of these standards was accomplished through the cooperation of producers, distributors and users of metal lath with the Department of Commerce at a conference held in Washington".

20. ADVERTISING AGENCIES CHAMPIONS OF SIMPLIFICATION: In discussing the activities of the Advertising Agencies in the direction of eliminating waste, a well-known authority on advertising says:

"Not a week goes by but what an agency has to battle with manufacturers on this subject of simplification. The agency's business is to enable the manufacturer to specialize in what he does best, and combine individuality with quantity production. Frequently the agency finds a company manufacturing 20,000 items, the majority of which are needless variations. He finds the manufacturer scattering his effort among all the staple lines in the field, instead of concentrating on the one thing of which he can make more and better than anyone else. He urges simplification, insists upon the minimum number, sizes, styles of package, etc. in order to make the retailers' problem of stock and turnover as attractive as possible. He (if he is well grounded) opposes a multiplicity of brand names and assists the manufacturer in putting all of his advertising and sales effort, so far as possible, behind one name. He views with sincere "lamentation" the multiplication of brands put out by a single company, which causes the company to divide the force of its advertising into many channels. He counsels constantly for a single fundamental line of advertising appeal to enable the manufacturer to take this one strategic and definite position in the public mind."

21. BOOK ON STANDARDIZED SERVICE OUT: The Franklin Automobile Company has issued a book on "Standardized Service" which is an interesting story on the work of the company and simplification. The book states that "Franklin Standardized Service applies to automobile maintenance the same scientific control of processes which has been responsible for the economy and productiveness of American manufacturing methods."
22. HARDWOOD MANUFACTURERS URGE SIMPLIFICATION AND STANDARDIZATION: The Hardwood Manufacturers' Institute meeting, held in Memphis in January, adopted a resolution reaffirming the Institute's program for lumber simplification and standardization and urging the central committee to bring their work to a conclusion as soon as possible.

Mr. J. B. Edwards, President of the Institute, spoke briefly of the standardization program of the Institute and referred to the so-called Kirby Resolution, which wiped out the Institute's inspection service but resulted in an agreement, which means that all hardwood interests are working together for standardization, and he said that he felt the adoption of revised grading rules may be reasonably expected in the near future.

MANAGEMENT WEEK 1927.

The theme for Management Week, October 24-29, 1927, "Management's Part in Maintaining Prosperity" is already attracting nation-wide attention, particularly among those concerned with management problems, and progress is being made in organizing local committees to sponsor Management Week Programs.

Organizers are at work to make Management Week a success in the following cities:- Birmingham, Alabama; Los Angeles, Oakland and San Francisco, California; New Haven, Connecticut; Rockford, Illinois; Lafayette, Attica, Brazil, Clinton, Elkhart, Gas City, Indianapolis, Kentland, Kokomo, LaGrange County, Linton, Logansport, Matthews, Muncie, Plymouth, Redkey, Rochester and Veedersburg, Indiana; Des Moines, Iowa; Springfield and Uxbridge, Massachusetts; Muskegon, Michigan; Minneapolis, Minnesota; Lincoln, Nebraska; East Orange and Elizabeth, New Jersey; Schenectady and Utica, New York. Cleveland, Columbus and Dayton, Ohio; Tulsa, Oklahoma; Erie, Pennsylvania. Chairmen have been selected for Indianapolis, Indiana; Rochester, New York, and Columbus, Ohio. Secretaries have been appointed for Elizabeth, New Jersey, and Rochester, New York.

Executives of every kind - corporation presidents, plant managers, engineers, accountants, comptrollers, purchasing agents, sales managers, shop foremen, credit managers, merchants, and others - who have any responsibility for the efficient and profitable operation of American business enterprises should find in this program an opportunity to demonstrate from their own experiences what policies, procedures and practices will help most to hold our prosperity at its present high level.

All individuals and organizations interested in the solution of management problems should take an active part in Management Week, 1927. To this end it is suggested that they communicate with the National Secretary, Ray M. Hudson, Chief, Division of Simplified Practice, U. S. Department of Commerce, who will put them in touch with the local committees in their respective cities, and furnish such general information as may be necessary. The 1927 Manual is available for distribution and may be had upon request to the National Secretary.

The sponsor societies and their representatives on the National Committee are as follows:- Honorary Chairman, A. W. Shaw, President, A. W. Shaw Publishing Co.; Chairman, Cecil S. Ashdown, American Institute of Cost Accountants; Members, Park T. Sowden, American Society of Mechanical Engineers; C. L. Barnum, Taylor Society; T. D. Nevins, Society of Industrial Engineers; R. W. Sparks, American Management Association; W. L. Chandler, National Association of Purchasing Agents; E. H. Tingley, National Association of Foremen; F. L. Rowland, Life Office Management Association; O. G. Sherman, National Association of Office Managers; Secretary and Treasurer, Ray M. Hudson, Chief, Division of Simplified Practice, U. S. Dept. of Commerce.

DIVISION OF SIMPLIFIED PRACTICE

(Progress in Simplification)

Preliminary conferences, general conferences, and revision conferences have recently been held under the auspices of the Division of Simplified Practice, U. S. Department of Commerce, in cooperation with the following groups:

HOSPITAL PLUMBING FIXTURES: In accordance with the action taken at the meeting of the manufacturers advisory committee on vitreous china plumbing fixtures, held at the New York office of the Department of Commerce on April 27, a sub-committee on hospital plumbing fixtures met with representatives of the American Hospital Association to develop a tentative simplification program to be presented at a subsequent general conference of all interests, to establish simple minimum standards for hospital plumbing equipment. It was felt that the result of standardization

would enable hospitals to select the most appropriate and practical equipment at the lowest practical cost. The Division of Simplified Practice was requested to call another preliminary conference to meet in New York City on June 2.

RANGE BOILERS: The first revision of simplified practice recommendation #8 for range boilers and expansion tanks was discussed at a revision conference held under the auspices of the Division of Simplified Practice on May 3rd. A survey showing the extent of adherence to the standard sizes and capacities of both range boilers and expansion tanks was used as a basis for discussion by the conferees. The degree of adherence to the standard schedule for range boilers being 99% and for expansion tanks 88%. It was the consensus of opinion that no further eliminations or additions should be made to the standards already in effect. It was unanimously voted that the present simplified practice recommendation be reaffirmed for another year effective May 1, 1927, subject to consideration and revision by a similar meeting.

VITREOUS CHINA PLUMBING FIXTURES: At a recent meeting of the advisory committee representing this industry, certain suggestions were considered relative to revision of simplified practice recommendation #52. The committee decided to purchase 40,000 copies of this recommendation for circularization among the memberships of the National Trade Extension Bureau and the American Institute of Architects.

HOSPITAL, HOTEL, AND INSTITUTIONAL LINEN: As a result of a careful study and survey of the requirements of its members, the American Hospital Association has developed a simplified practice recommendation covering the most important items of Hospital Linen (or more properly, Hospital Cotton Goods). In order that this recommendation may be adopted, if approved by the industry, the American Hospital Association requested this Division to call a general conference of manufacturers, distributors, and users of the items under consideration, to be held at the Department of Commerce, Room 704, at 10:00 a.m. Eastern Standard Time, June 10, 1927. Invitations have also been sent to hotels and institutions, in the hope that a recommendation may be approved covering hotel and institutional linen as well as hospital linen.

SURVEYING INSTRUMENTS: The second preliminary conference held to consider simplification of Surveying Instruments convened at the office of the Department of Commerce in New York City, April 22, 1927. Considerable discussion was entered into as to the advisability of applying simplification in the manufacture of surveying instruments, with particular reference to the proposed change to a standard tripod head. A committee of four was appointed to design a proposed standard thread to insure the interchangeability of transits and levels of all the principal manufacturers. The report of this committee is to be submitted to the manufacturers, through the Division of Simplified Practice after which the manufacturers and users will meet again for a further consideration of the committee's recommendation.

CUT TACKS AND NAILS: A survey is being made among the manufacturers to ascertain the degree of adherence to simplified practice recommendation #47, covering a simplified list of sizes, etc., for cut tacks and nails. The results of this survey will be used as a basis for a conference to consider the revision of the present schedule.

HEATING AND COOKING APPLIANCES: At its convention in New York City on May 11, 1927, the National Association of Manufacturers of Heating and Cooking Appliances, adopted a resolution which empowered their Simplified Practice Committee to proceed with drafting a simplified practice recommendation to go through the regular procedure of the Department of Commerce.

ONE PIECE INSULATORS: A simplified practice recommendation covering varieties of one piece porcelain insulators was adopted by a general conference of representatives of the industry, held under the joint auspices of the National Committee on Metals Utilization and the Division of Simplified Practice on June 3rd. This program provides for a total reduction from 272 varieties to 210, corresponding to an elimination of 22.4%. The conferees were of the opinion that the consistent adherence of all concerned to this program, would produce an annual saving of approximately \$400,000.

TURNBUCKLES: A group of representative manufacturers of Turnbuckles met at the Department of Commerce on May 10th to discuss the advisability of eliminating some of the sizes of this commodity which are seldom called for and which, under present conditions, greatly add to the problems of the manufacturer.

A committee composed of three manufacturers was appointed to make a survey of current practices and draw up a tentative Simplified Practice Recommendation for consideration of a general conference of all interests to be held in the early Fall.

NEW BILLET STEEL FOR CONCRETE REINFORCEMENT: On May 13 the Metals Committee forwarded a report of the general conference of manufacturers, distributors and users of new billet steel for concrete reinforcement, which was held under the auspices of the National Committee on Metal Utilization on March 19th. A copy of this report was sent to all organized consumers, technical experts, distributors and manufacturers interested in the production and use of new billet steel for concrete reinforcement. As soon as a sufficient number of formal acceptances have been received, a simplified practice recommendation will be printed, as one of the series on the elimination of waste.

ORNAMENTAL IRON AND BRONZE PRODUCTS: At a meeting of the Simplified Practice Committee, the Administrative Council and the Pittsburgh branch of the National Association of Ornamental Iron and Bronze Manufacturers, held May 2, to 4, the Simplified Practice Committee was authorized to make a survey covering the sizes of stair-well openings for ordinary iron and steel stairways, such as those used in schools, office buildings, hotels, warehouses, etc. The survey is to cover a report from January 1, 1925 to December 31, 1926, and to include all iron and steel stairway manufacturers. A number of other products were suggested at the meeting of the Administrative Council, including simplification of anchor bolts, newel posts, sizes of small rolled channels, etc. Consideration of these other projects was deferred, however, pending the completion of the survey on stair-well openings.

FOUNDRY EQUIPMENT: The President of the American Foundrymen's Association has recently appointed Simplified Practice Committees in each of the five branches of the foundry industry, as a result of various discussions with the director and assistant director of the National Metals Utilization Committee. It is expected that these committees will report to the American Foundrymen's Association Convention to be held in Chicago June 6-10. Specific projects have already been suggested, notably, simplification of foundry flasks, of certain cupola dimensions, door openings, etc., sand handling equipment, and one or two other items. These are now under consideration by the Simplified Practice Committees in various branches.

PACKING OF CARRIAGE, MACHINE, AND LAG BOLTS: In accordance with the unanimous action of March 23, 1927 of the general conference of representatives of manufacturers, distributors and users of carriage, machine, and lag bolts, a simplified practice recommendation was developed, establishing a standard packing list for these items. The recommendation is to become effective July 1, 1927 for new production.

WIRING DEVICES: The Committee is informed that the Atlantic Division of the Electrical Supply Jobbers Association, contemplates applying the principles of Simplified Practice to various

wiring devices. The committee is cooperating with the Association in the matter of coordinating the interest and support of all the elements in the business with the idea of consummating an elimination of waste program.

STANDING COMMITTEES: The Metals Committee is organizing standing committees of the respective industries to take care of the periodic revision of the following Simplified Practice Recommendations: No. 60, Packing of Machine, Carriage, and Lag Bolts; No. 63, Metal Spools and Reels; No. 68, Flash Light Cases.

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NATIONAL COMMITTEE ON WOOD UTILIZATION

The National Committee on Wood Utilization had its first meeting on April 28, 1926, for the purpose of outlining its program. More than thirty projects were submitted to the various subcommittees and the National Committee selected a half dozen projects for completion as soon as possible. In carrying out these projects it was necessary to add new members to the Committee representing such industries as were vitally interested in the problems involved. The Committee's membership today consists of 135 members.

MARKETING AND DISTRIBUTION: Most of the problems confronting the Committee seem to involve the question of marketing and distribution. Although it is generally recognized that preserved wood represents an appreciable economy not only in the industrial field but also in general building and construction industries, the public has not been in a position to purchase small quantities of preserved wood from the retail yards. The Committee has started a project whereby one of its members doing a wholesale and retail business in the middle west has been put in touch with a well known wood preserving plant and both are spending a considerable amount of money in the building up of this trade in a restricted area. The Committee is assisting in this work by informing the consumers of the advantages of using preserved wood and is rendering assistance in many other directions. If this plan meets with the expected success these activities will be extended to other parts of the United States.

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AMERICAN MARINE STANDARDS COMMITTEE

During the month of May progress was made on a number of projects as indicated by the following record of submittals to Technical Committees:

- Pilot Ladder - Final Ballot
- Metal and Wooden Hose Racks - Final Ballot
- Specification for Marine Glue for Ship Decks - Preliminary Draft
- Flanged Couplings for Propeller Shafting - Final Ballot
- Specification for Metallic Packing for Condenser Tubes - Preliminary Draft
- Loose Couplings for Inboard Propeller Shafts - Final Ballot

Finished drawings and manuscript were prepared for publication of the approved standard for condenser tube ferrules and tube sheets.

Twenty-two publications are now in course of printing, comprising thirty of the standards promulgated by the committee, to be issued as part of the "Elimination of Waste" series of publications of the Department of Commerce.

Preparations were made for the next meeting of the Executive Board of the committee to take place on June 10th, at which a number of proposed standards are to be submitted for Promulgation.